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THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA

Head Office - Waterloo, Ontario



**ANNUAL REPORT
for the Year 1966**

TWO YEAR COMPARISON

	1966	1965
Assets	\$ 59,665,301	\$ 55,128,651
Insurance and Annuity Reserves	48,099,731	44,786,948
Premium Income	8,074,989	7,142,023
Investment Income	3,260,243	2,964,582
Total Income	11,447,907	10,292,330
Payments to Policyholders and Beneficiaries	4,887,512	4,351,154
Investment Reserve	1,400,000	1,200,000
Unassigned Surplus	3,034,985	2,680,589
New Business *		
Individual	42,262,853	35,229,258
Group	7,644,608	17,516,031
Business in Force *	776,639,789	628,060,367

* Includes Annuities and Group. \$1,200 is counted as the insurance equivalent for each \$100 of annual annuity payable.

The scale of dividends paid policyholders was again increased in 1966. Dividends in 1966 amounted to \$781,231 compared with \$709,975 paid in 1965.

Dividend payments of \$910,000 are anticipated for 1967, for which provision has been made in the liabilities.

The Equitable is a mutual company, and all surplus earnings belong to the policyholders.

DIRECTORS' REPORT

Waterloo, February 6, 1967

To the Policyholders of The Equitable Life Insurance Company of Canada

Your Directors have pleasure in submitting the Annual Statement and Reports of the affairs of your Company for the year ended December 31, 1966.

The year was marked by notable continued progress of the Company.

INSURANCE. New life insurance on individual lives was \$42,262,853, compared with \$35,229,258 in 1965. New group sales and net increases in existing groups amounted to \$126,174,766 in 1966; the 1965 figure was \$111,260,253.

The gain in business in force, including individual and group life and annuity contracts, was \$148,579,421, compared with \$127,687,782 in 1965. Business in force now stands at \$776,639,789.

Health insurance premiums of \$612,636 gained \$139,197 in the year.

REVENUE. A gain of \$1,155,577 brought the revenues for the year to \$11,447,907. The net rate of interest earned on invested assets, after allowance for investment expenses, increased to 6.00% from 5.88% the year previous.

DISBURSEMENTS. The Company paid policy benefits of \$4,887,512, bringing to \$57,517,517 the amount paid to policyholders and beneficiaries since its organization.

DIVIDENDS TO POLICYHOLDERS. In July, 1966, the Company's dividend scale was again raised. Dividends to policyholders were \$781,231, compared with \$709,975 in 1965.

ASSETS. At \$59,665,301 assets were up \$4,536,650 for the year. The Company again reports having no securities in default or any property foreclosure losses.

LIABILITIES. The statutory policy reserves constitute the chief liability item and were increased by \$3,312,783 to \$48,099,731.

SURPLUS. The Company's investment reserve was increased by \$200,000 to \$1,400,000 and its unassigned surplus by \$354,396 to \$3,034,985.

OUR STAFFS. During the year our staffs at Head Office, in the Field and in our Mortgage Offices, expanded our business to new levels. We are proud of the professional competence of our personnel, who by study and training seek constantly to maintain and strengthen the standards of good life insurance service.

DIRECTORS. The retiring Directors are Messrs. H. D. Greb, P. R. Hilborn, J. E. Motz and W. H. Timmis, all of whom are eligible for re-election for a three year term.

Respectfully submitted,

M. J. SMITH, President

In the balance sheet and accompanying reports the figures include those for the Health Insurance branch.

SUMMARY OF OPERATIONS

For the Year Ended December 31, 1966

REVENUE

Premiums:		
Insurance	\$6,441,029	
Annuity	1,021,324	
Health	612,636	
	<hr/>	\$ 8,074,989
Consideration for Settlement Annuities		112,675
Net Investment Income after Investment Expenses		3,260,243
		<hr/>
	TOTAL	\$11,447,907

THIS REVENUE WAS USED FOR

Policy Payments:		
Death and Indemnity Benefits	\$1,585,287	
Disability Benefits	9,614	
Surrender Values	1,259,293	
Matured Endowment Benefits	398,429	
Annuity Payments	350,453	
Health Insurance Benefits	503,250	
Dividends to Policyholders	781,231	
	<hr/>	\$4,887,512
Increase in Reserves for		
Future Policy Payments	3,312,783	
	<hr/>	\$ 8,200,295
Provision for Increase in Policyholders'		
Dividends Payable in 1967	75,000	
Payments under Settlement Options	134,965	
Interest on Amounts Left on Deposit	195,753	
Taxes, Licenses and Fees	147,500	
Commissions and Other Payments to Sales Staff	924,612	
Operating Expenses	1,073,132	
Net Adjustment in Asset Values	142,254	
Increase in Investment Reserve	200,000	
	<hr/>	\$11,093,511
Increase in Unassigned Surplus	354,396	
	<hr/>	
	TOTAL	\$11,447,907

M. J. SMITH, President

Audited

To the Policyholders of The Equitable Life Insurance Company of Canada:

We have examined the balance sheet of The Equitable Life Insurance Company of Canada as at December 31, 1966, and the accounting procedures followed in the circumstances; the liability to provide for payments guaranteed under insurance and annuities.

Based on our examination and the certificate of the Company's actuary, we report that the financial position of the Company as at December 31, 1966, is satisfactory. We have also examined the financial statements of the Company for the year ended December 31, 1966, and we report that they are satisfactory.

Kitchener, Ontario,
January 19, 1967.

BALANCE SHEET

December 31st, 1966

ASSETS

Bonds	\$18,318,342
Stocks	667,471
Mortgages and Sale Agreements	36,736,372
Real Estate	149,362
Loans on Policies	2,597,080
Cash on Hand and in Banks	149,119
Premiums in Course of Collection	231,105
Interest Due and Accrued	482,351
Segregated Investment Fund	74,338
Other Assets	259,761
TOTAL ASSETS	\$59,665,301

Bonds and stocks are valued at amortized cost and cost respectively, less certain write-downs, and in the aggregate do not exceed maximum values allowed by the Canadian and British Insurance Companies Act.

LIABILITIES

Insurance and Annuity Reserves	\$48,099,731
Provision for Unpaid and Unreported Claims	686,323
Policy Proceeds and Other Amounts Left with the Company at Interest	4,200,798
Provision for Policyholder Dividends Payable in 1967	910,000
Taxes, and Expenses Due and Accrued	84,079
Borrowed Money for Reinvestment	435,191
Mortgagors' Tax Prepayments, Unallocated Remittances and Other Liabilities	739,856
Segregated Investment Fund	74,338
Investment Reserve	1,400,000
Unassigned Surplus, December 31, 1965	\$2,680,589
Increase in Unassigned Surplus	354,396
Unassigned Surplus, December 31, 1966	3,034,985
TOTAL LIABILITIES	\$59,665,301

H. E. POWER, Managing Director

Report

as at December 31, 1966, and the statement of summary of operations for the year and such tests of accounting records and other supporting evidence as we considered necessary. The statement of summary of operations was determined and certified by the Company's actuary. In our opinion, the accompanying balance sheet and the related statement of summary of the results of its operations for the year ended on that date.

CLARKSON, GORDON & CO.,
Chartered Accountants.

ACTUARY'S CERTIFICATE

The Insurance and Annuity Reserves of \$48,099,731 shown in the balance sheet at December 31, 1966, are in excess of the reserves required by Section 82 of the Canadian and British Insurance Companies Act, and, in my opinion, make a good and sufficient provision for all unmatured obligations of the Company guaranteed under the terms of its policies.

February 6, 1967.

T. R. SUTTIE, F.I.A., F.C.I.A.,
Actuary

BUSINESS STATEMENT

Total business in force increased by 24% in 1966.

Health insurance premiums were \$612,636 in 1966, compared with \$473,439 in 1965; claim payments in 1966 amounted to \$503,205, compared with \$346,081 in 1965.

NEW BUSINESS

	1966	1965
Individual Life	\$ 41,372,906	\$ 34,541,893
Group Life	5,777,230	15,147,759
Total Life	<u>\$ 47,150,136</u>	<u>\$ 49,689,652</u>
Individual Annuity . . .	889,947	687,365
Group Annuity	1,867,378	2,368,272
Total Annuity	<u>\$ 2,757,325</u>	<u>\$ 3,055,637</u>
Total Life and Annuity	\$ 49,907,461	\$ 52,745,289

BUSINESS IN FORCE

Individual Life	\$275,482,165	\$253,514,329
Group Life	461,140,156	334,275,229
Total Life	<u>\$736,622,321</u>	<u>\$587,789,558</u>
Individual Annuity . . .	9,472,425	9,035,605
Group Annuity	30,545,043	31,235,204
Total Annuity	<u>\$ 40,017,468</u>	<u>\$ 40,270,809</u>
Total Life and Annuity	\$776,639,789	\$628,060,367

In 1966 the amount of new life insurance effected on single lives increased by 20%.

ASSET DISTRIBUTION

The Company maintains a well diversified portfolio of assets. No securities held by the Company were in default and the Company again experienced no mortgage losses.

It will be noted that the net yield on invested assets of the Company increased to 6.00% from 5.88% the year previous. This is the yield after payment of investment expenses.

Bonds:	Per Cent of Total
Canada (and Guarantee)	5.37%
Provinces of Canada (and Guarantee)	9.52
Canadian Municipalities and Schools	1.80
Industrial, Utility and Miscellaneous	14.01
	<hr/> 30.70%
Preferred and Common Stocks	1.12
National Housing Act Mortgages	16.39
Other Mortgages and Sale Agreements	45.18
Real Estate25
Loans on Policies	4.35
Cash on Hand and in Banks25
Premiums in Course of Collection39
Interest Due and Accrued81
Other Assets56
	<hr/> 100.00%

At \$5,646,023, new mortgage advances made in 1966 maintained the 1965 level.

The quality of the Company's mortgage portfolio is indicated by the fact that at the end of 1966 out of a total of 4,214 mortgages and agreements of sale amounting to \$36,736,372, there were only nine mortgages in arrears for as much as two months with respect to interest, principal and tax payments amounting to \$2,254, and only three in arrears for three months or more for a total of \$737.

10 YEAR GROWTH

	1966	1956
Assets	\$ 59,665,301	\$ 32,392,709
Insurance and Annuity Reserves	48,099,731	26,323,473
Premium Income	8,074,989	3,368,685
Investment Income	3,260,243	1,440,598
Total Income	11,447,907	4,853,492
Payments to Policyholders and Beneficiaries	4,887,512	1,814,089
Investment Reserve	1,400,000	1,250,000
Unassigned Surplus	3,034,985	1,318,421
New Business *		
Individual	42,262,853	22,175,297
Group Increases	126,174,766	1,810,000
Business in Force *	776,639,789	136,096,799

* Includes Annuities and Group. \$1,200 is counted as the insurance equivalent for each \$100 of annual annuity payable.

The following table shows the years when successive \$100 millions of business in force were obtained.

Year	Business in Force
1920	Began business
1953	\$107,535,562
1960	217,886,088
1962	337,737,279
1963	409,320,159
1964	500,372,585
1965	628,060,367
1966	776,639,789

EQUITABLE LIFE BRANCH OFFICES

Branch	Manager	Branch	Manager
ALBERTA		OTTAWA	L. W. Butler, C.L.U.
CALGARY	J. J. C. Dicey, C.L.U.	ST. CATHARINES	P. W. Engs, C.L.U.
EDMONTON	F. A. Crick, C.L.U.	SAULT STE. MARIE	J. D. Macfarlane, C.L.U.
BRITISH COLUMBIA		TORONTO	
VANCOUVER		Yorkdale Shopping Centre	
779 W. Broadway	J. Fisher, C.L.U.	2489 Bloor W.	F. Olsen
1033 Davie St.	H. E. Lalonde	55 Eglinton E.	B. P. Greaves
VICTORIA	E. A. Fordham	1250 S. Service Rd. Pt. Credit	R. R. Halpenny
MANITOBA		WATERLOO	E. F. Goman, C.L.U.
WINNIPEG	H. V. Williams, C.L.U.	WINDSOR	W. H. Green
ONTARIO		QUEBEC	
GUELPH	H. T. Brown	MONTREAL	
HAMILTON	E. K. Inglis	4920 Western	S. P. Winton
KINGSTON	C. J. Doyle, C.L.U. Representative	4920 Western	W. Frager
KITCHENER	D. S. W. Ogilvie	SASKATCHEWAN	
LONDON	W. J. Anderson	REGINA	D. L. Stevenson
OSHAWA	M. G. Sowten, C.L.U.	SASKATOON	W. H. Arscott, C.L.U.

MORTGAGE LOAN OFFICES

City and District	Manager
HAMILTON . . .	L. W. Wilmshurst
LONDON . . .	A. E. Elmslie
OTTAWA . . .	R. W. Hill
TORONTO . . .	W. Kompa, S.R.A.
WATERLOO . . .	R. Noble, A.A.C.I.